

Army Enterprise Integration Oversight Office



Performance Measures

February 2005



What is a performance measure?

■ Definition

Source for definition: www.dod.mil/comptroller

- ☐ Means for assessing progress against stated goals and objectives in a way that is unbiased and quantifiable
 - Evaluated in terms of outputs and outcomes
- ☐ Reliable indicator of the long-term health of an organization, program or initiative

■ Key characteristics

- ☐ Objective
- ☐ Specific
- ☐ Measurable
- ☐ Achievable
- ☐ Consistent
- ☐ Outcome-oriented
- ☐ Identifiable data source
- ☐ Timely

“One accurate measurement is worth more than a thousand expert opinions.”

Admiral Grace Hopper, USN

What are the different types of performance measures?



■ Input Measures

- ☐ Provide limited information for decision-making and analysis of actual results
- ☐ Example for a Training Program - Number of staff members trained

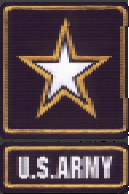
■ Output Measures

- ☐ Results generated from the use of program inputs
- ☐ Metrics typically associated with tracking a program or service
- ☐ Example for a Immunization Program - Number of inoculations delivered

■ Outcome Measures

- ☐ Track the benefit received by stakeholders as a result of the organization's operations
- ☐ Shift the focus from activities to results

Input and output measures demonstrate effort expended -- outcome measures are results-oriented and provide guidance on decisions



Other types of measures that act as performance indicators



■ Lag Measures

- ☐ Focus on the performance results at the end of an event or activity
- ☐ Typically one lag measure for every strategic objective
- ☐ Example – Customer Satisfaction, Unqualified Audit Opinion

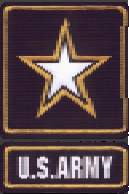
■ Lead Measures

- ☐ Measure intermediate processes and activities
- ☐ Predict future performance
- ☐ Allow organizations to adjust behaviors for performance
- ☐ Example – Customer Wait Time, # of material weaknesses

Important to strike a “balance” between lead and lag performance measures

■ Diagnostic Measures

- ☐ Important to track but not directly related to strategic goals
- ☐ Tactical or transaction focus, capturing effort expended
- ☐ Evaluates an aspect of the process or event
- ☐ Data provides insights on improvement opportunities
- ☐ Example - # of WIPTS



Performance Mgmt. is a critical component of any transformation, BPR or BPI initiative

■ Places initiative in a strategic context

- ☐ Linking initiative with organizational outcomes
- ☐ Establishing performance targets for outputs
- ☐ Defining priorities for processes that will yield greatest impact
- ☐ Provides guidance on how to deploy resources (dollars, people and assets)

■ Measurement drives behavior

- ☐ Measure activities that will focus resources on supporting the “right” priorities and organizational objectives

■ Indicator of progress

- ☐ Evaluates the extent a goal been achieved in terms of cost, revenue, time, throughput or quality
- ☐ Tracks progress of activities against plan
- ☐ Assist in identifying non-value added processes through analyzing business transactions and decomposing activity workflows
- ☐ Help highlight areas for improvement

“Measurement turns vision into strategy and strategy into fact.”

Frederick F. Reichheld,
Harvard Business Review

Performance measures deliver value

■ Benefits

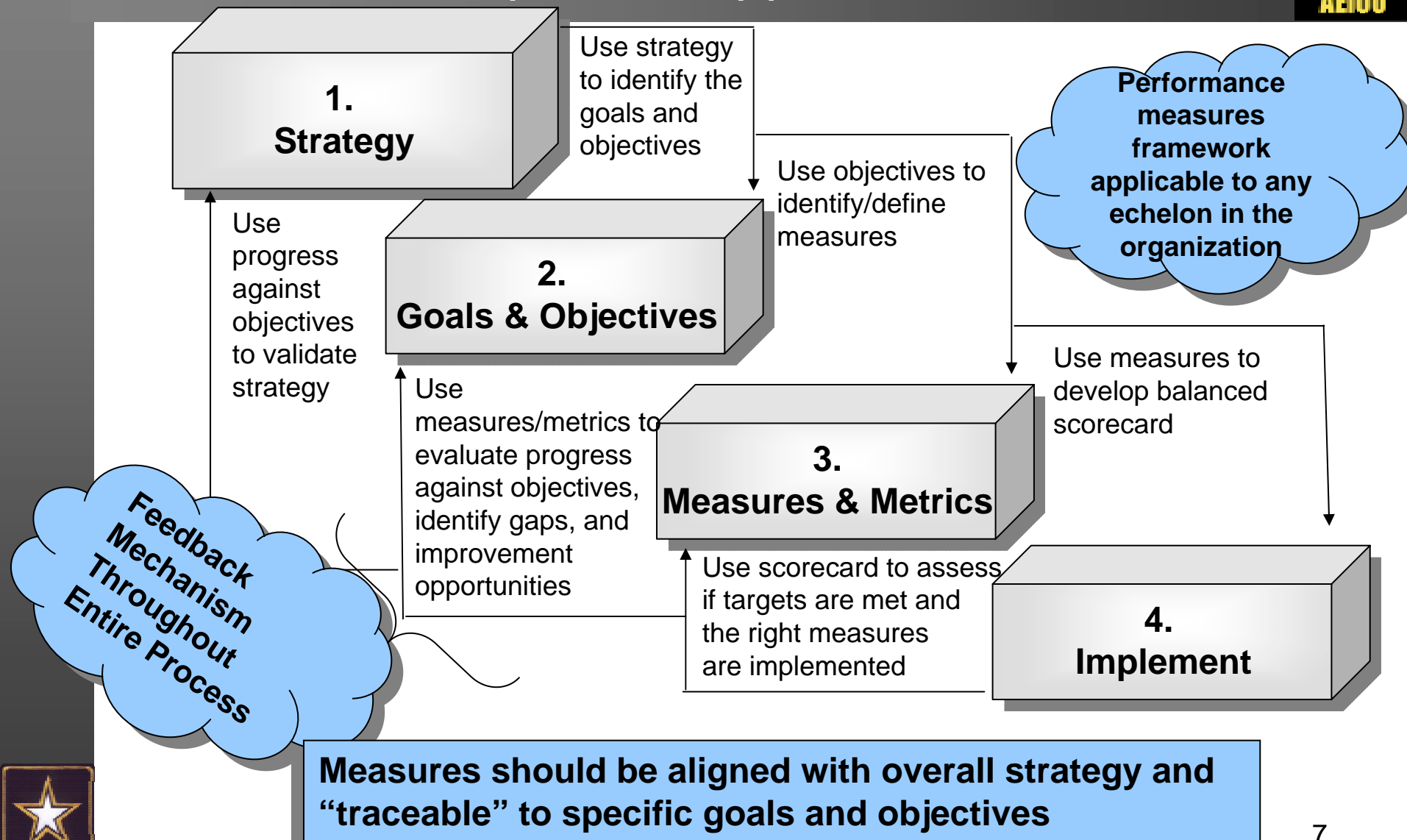
- ☐ Focus
- ☐ Alignment
- ☐ Accountability
- ☐ Communication
- ☐ Visibility
- ☐ Risk mitigation
- ☐ Justification
 - Budget
 - Effort



*In Support of the
Joint Warfighter*

Value: Track results and use information to: 1) manage progress; 2) mitigate risk; and 3) make fact-based decisions.

... and should be developed using a top-down approach



Lessons learned include:

- Link architecture to transformation outcomes
- Gain senior leadership support and participation
- Leverage a framework to organize metrics
- Establish a governance process to monitor results
- Remain focused
- Communicate, Communicate, Communicate
- Establish baseline and target metrics to track progress and set expectations
- Continuous improvement – measures should be re-evaluated and refreshed as needed

“You can’t always get what you want, but if you try, sometimes you might find you get what you need.”

- The Rolling Stones

For More Information . . .



Visit the References Section of the AEIOO Website for:

- ☐ Definitions
- ☐ Templates
- ☐ Links to other sources of information

